



City of San Antonio

SUBJECT: Request for Proposals (RFP) for Investment Consulting and Investment Training Services, (RFP 016-070), Proposals Due: **July 20, 2016**; Date of Issue: **June 20, 2016**

FROM: Denise D. Gallegos, C.P.M., CPPB
Procurement Administrator

DATE: July 1, 2016

THIS NOTICE SHALL SERVE AS ADDENDUM NO. 3 - TO THE ABOVE REFERENCED REQUEST FOR PROPOSALS

QUESTIONS SUBMITTED IN ACCORDANCE WITH SECTION 010, RESTRICTIONS ON COMMUNICATION:

On June 28, 2016 and June 29, 2016, the City of San Antonio and Finance Department hosted a Pre-Submittal Conferences to provide information and clarification for the Investment Consulting and Investment Training Services Request for Proposals. Below is a list of questions that were asked at the conferences. The City's official response to questions asked is as follows:

Question 1: Did the City of San Antonio utilize Frost Bank for Securities Lending and has the City had any luck with any other firms for Securities Lending?

Response: The City of San Antonio utilized Frost Bank for Securities Lending until they discontinued services at the same time the contract ended. The City has issued two Requests for Qualifications for Securities Lending providers in the past; however, no provider was selected. The City will consider re-establishing a Securities Lending program under appropriate economic/market conditions.

Question 2: Does the City have an internal cash flow model or would the consultant assist in putting a model together?

Response: The City has developed an internal cash flow model. The investment consultant's role would be to review the model and its assumptions and provide investment advice based on the model.

Question 3: Does the City have Bloomberg internally?

Response: The City does not utilize Bloomberg; however, the City relies on obtaining Bloomberg data through its Broker/Dealer Firms and/or Investment Consultant.

Question 4: Do you anticipate making any changes to the asset allocation of the Plan? Are you considering any new asset classes?

Response: We will review recommendations, which may include changes to the asset allocation and the inclusion of new asset classes from our Investment Consultant as long as they align with the City's Investment Policy objectives.

Question 5: What is the most important investment issue your Plan is currently facing?

Response: The City has no immediate issues with its investment portfolio; however, the City is seeking an Investment Consultant to assist the City in evaluating its investment strategy while conforming to its investment policy objectives.

Question 6: Do you have any specific issues in regards to your current consultant?

Response: The City has no specific issues regarding its current Investment Consultant. The current contract is set to expire on September 30, 2016; therefore, the City is seeking proposals for investment consulting and investment training services.

Question 7: What do you think is the single most important characteristic of an investment consulting firm?

Response: The investment consulting firm should be able to provide comprehensive quantitative analysis, knowledge of the financial markets, an understanding of the City's Investment Policy, and the Texas Public Funds Investment Act ("PFIA").

Question 8: Do you have a preliminary schedule of the quarterly Investment Committee meetings?

Response: Investment Committee meetings are usually held the third Tuesday of the month for each quarter and have historically been scheduled in the following months: February, May, August, and November. However, these meetings are subject to change based on availability.

Question 9: Does the current consultant provide investment training to the City for a total of up to 10 hours every two years? What are some of past investment training topics covered?

Response: Yes, the current Investment Consultant provides investment training to the City for a total of up to 10 hours every two years. Investment training topics meet the PFIA requirements.

Question 10: What are the annual fees for the existing contract that the City is paying to its current consultant? Are there project-related fees associated with the current arrangement that are not part of the base fee?

Response: Under the current contract, the base annual fee is \$24,000.00. Aside from the investment training, which is a separate flat fee based on an hourly rate, all other project-related fees fall within the base annual fee.

Question 11: If the prime respondent utilizes a SBEDA eligible small, minority, and/or women-owned business enterprises as a subcontractor for 51% or more work, will they be awarded points?

Response: No, the prime respondents have to be SBEDA eligible to receive the preference points. No points will be awarded to non-certified Prime respondents by subcontracting to certified subcontractors.

Question 12: Were there any SBE points allotted for the current contract?

Response: The current contract was issued in 2008 and Ordinance approving the SBEDA Ordinance was approved in 2010. Hence, no SBE points were allocated for the current Contract.



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